

Message Text

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PAGE 01 STATE 005484

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

DEPT OF THE TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO COMUSSAGE NAKHON PHANOM

CINCPAC HONOLULU

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 005484

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 9 EA PRESS SUMMARY

1. INDOCHINA

SPOKESMAN ANDERSON SAID PRES MAY TRY PERSUADE CONGRESS

TO INCREASE ECON AID TO SVN, BUT DECLINED TO SAY WHETHER

ADMIN WOULD SEEK INCREASE IN MIL AID ABOVE 700 MILLION

DOLS AUTHORIZED THIS FY. OTHER OFFICIALS SAID THEY

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 005484

DOUBTED PRES WOULD GET MUCH SYMPATHY FROM "SKEPTICAL"

CONGRESS OR PUBLIC. IN SAIGON, MG TRIEN OF JCS SAID US MIL AID CUTBACKS DID NOT AFFECT CONDUCT OF PHUOC BINH DEFENSE, VIEW "IN SHARP CONTRAST" WITH THAT OF US EMBASSY AND MOST QUALIFIED MIL ANALYSTS (PHINQ). MOST STATE DEPARTMENT OFFICIALS DOUBT PRES CAN ACHIEVE MUCH, SINCE CONGRESS PREOCCUPIED WITH OTHER PROBLEMS AND IS SENSITIVE TO PUBLIC INDIFFERENCE TO VN NOW THAT US TROOPS OUT AND POWS BACK. IN SAIGON FM TINH TOLD NEWSMEN SVN NEEDS ASSISTANCE, ESPECIALLY FROM "AMERICAN PEOPLE" (UPI, GLOBE). ANDERSON GAVE FIRST OFFICIAL ACKNOWLEDGEMENT THAT ADMIN IS PONDERING STRATEGY ON SUPPLEMENTAL REQUEST FOR SVN. OTHER SOURCES ADMIT ADMIN CONTEMPLATES REQUEST FOR MORE AID FOR SVN AND CAMBODIA. ADMIN ADMITS IT FACES DIFFICULT FIGHT TO GET MORE AID FROM NEW CONGRESS (WP).

UPI WASHINGTON SAYS THERE ISN'T MUCH PRES CAN DO TO HELP SVN. TOP OFFICIALS ADMIT THEY LACK DIPLOMATIC LEVERAGE IN PEKING AND ELSEWHERE THAT MIGHT PERSUADE HANOI TO ABIDE BY C-F, AND SAY ADMIN LACKS POLITICAL CLOUT TO GET CONGRESS TO RESTORE AID SLASHES. ADMIN OFFICIALS BELIEVE BEST WAY TO HELP GVN MIGHT BE TO SPEED DELIVERY OF REPLACEMENT EQUIPMENT. THEY DO NOT ENTIRELY AGREE ON HANOI'S AIMS; THEY DISCOUNT LAND-GRABBING, AND MOST BELIEVE NVA ATTACKS ARE TO "BLEED" GVN BY DESTROYING EQUIPMENT AND MORALE OF SUPPORTERS. ULTIMATE GOAL THOUGHT TO BE GVN COLLAPSE, OR AT LEAST FORCING IT INTO COALITION WITH COMMUNISTS (BALTO N-A 1/8).

NYT'S GELB QUOTES ADMIN OFFICIALS THAT PRES DECIDED TO ASK CONGRESS FOR 300 MILLION MORE IN MIL AID FOR SVN, AND THAT FY 76 BUDGET SUBMISSION WOULD REQUEST 1.3 BILLION FOR GVN MIL AID. NUMBER OF OFFICIALS SAY SUPPLEMENTAL REQUEST RELATED ONLY IN PART TO OFFENSIVES, PREDICT THAT WITH EXTRA FUNDS GVN COULD SURVIVE WITHOUT RENEWED US MIL INTERVENTION, BUT REFUSE TO SPECULATE WHAT ADMIN WOULD DO IF THEIR JUDGMENTS PROVED WRONG. GELB SAYS HAK MADE CLEAR HIS VIEW THAT CONGRESS SHOULD EITHER PROVIDE SUFFICIENT FUNDS FOR WAR OR ACCEPT RESPONSIBILITY FOR LOSS OF SVN. REVIEWS RECENT AID UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 005484

REQUESTS AND AMOUNTS PROVIDED. QUOTES "SEVERAL" ADMIN OFFICIALS THAT THEY DO NOT EXPECT CONGRESS TO PROVIDE ENTIRE SUPPLEMENTAL REQUEST, BUT TO APPROVE "SIZABLE PART."

GELB SAYS RECENT DOD MEMO CALLED FOR PUBLICITY CAMPAIGN TO CONVINCE CONGRESS AND PUBLIC THAT MORE MIL AID NEEDED OR SVN WOULD RUN OUT OF AMMO IN 30 DAYS; BUT RANKING

DOD OFFICIAL SAID MEMO HAS "NO STATUS" AND THERE IS NO CAMPAIGN "BUT ONE MAY DEVELOP." ADMIN OFFICIALS ADMIT CONGRESSIONAL CONTACT ON SUBJECT, BUT HINT THAT DECISIONS ABOUT EXTRA AID FOR GKR AND HOW TO PRESENT REQUESTS TO CONGRESS HAVE TO BE MADE. HIGH OFFICIAL SPECULATED THAT PUBLIC KNOWLEDGE OF SUPPLEMENTAL REQUEST "MIGHT SERVE AS USEFUL SIGNAL TO HANOI." GELB COMMENTS THAT ADMIN MIGHT BE IN STRONGER-THAN-EXPECTED POSITION ON NEXT YEAR'S MIL AID REQUEST, SINCE CONSIDERATION OF PROPOSAL WILL REMAIN IN FRIENDLY SASC INSTEAD OF BEING TRANSFERRED TO SFRC.

SUN'S MILLS FINDS US OFFICIALS INCREASINGLY PESSIMISTIC ABOUT SVN'S CHANCES OF SURVIVAL IN FACE OF NVA OFFENSIVE AND DECREASE IN US MIL AID, AND ARE PREPARING "LAST-DITCH" EFFORT TO GET MORE ASSISTANCE FROM CONGRESS. QUOTES US OFFICIALS THAT HAK WILL ALMOST CERTAINLY APPEAL TO HILL TO REINSTATE 300 MILLION DOLS CUT FROM ORIGINAL AUTHORIZATION.

STATE DEPT BELIEVES FIGURE IS "BARE MINIMUM" NEEDED TO KEEP SVN GOING IN FACE OF LOSSES AND INFLATIONARY TOLL. US OFFICIALS ARGUE WE ARE NOT LIVING UP TO PROVISIONS TO KEEP GVN SUPPLIED, EVEN WITHIN PARIS AGREEMENT LIMITS. ADMIN OFFICIALS ACKNOWLEDGE CHANCES IN CONGRESS ARE SLIM FOR MORE MIL AND ECON AID. PESSIMISM IS BASED ON PUBLIC DISENCHANTMENT WITH FOREIGN AID, EAGERNESS OF CONGRESS TO BE DONE WITH INDOCHINA AND DESIRE OF MANY CONGRESSMEN TO "PUNISH THE SECRETARY FOR A VARIETY OF REASONS."

"SOURCES" SAY ENTERPRISE TASK FORCE IS HEADED FOR INDIAN OCEAN (AP CHITRIB, BALTO N-A 1/8). VC SPOKESMAN IN PARIS CALLS SEVENTH FLEET MOVEMENT IN SEA WATERS "IMPUDENT MENACE" THAT VIOLATES C-F (PHINQ).
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 005484

IN INTERVIEW TAPED FOR NBC-TV "TODAY" SHOW, ADM GAYLER SAID POSSIBLE FALL OF "ANY REGIME" IN SVN WOULD NOT BE CIRCUMSTANCE FOR RENEWED INTERVENTION BY US TROOPS, AND IT WAS "DIFFICULT TO IMAGINE" SITUATION UNDER WHICH TROOPS WOULD BE SENT BACK INTO VN (BALTO N-A 1/8). GAYLER SAID US "SHOULD NOT RULE OUT" INTERVENTION IN SEA (PHINQ), BUT US AND ALLIES SHOULD MAINTAIN BALANCE OF POWER IN PACIFIC AND INDIAN OCEAN AREAS.

GVN WARPLANES POUND LOC NINH IN RETALIATION FOR LOSS OF PHUOC LONG PROVINCE; VC ADMIT HEAVY LOSSES OF PEOPLE AND MATERIAL IN RAIDS. GVN ACTING FM APPEALS TO US FOR AID TO STEM COMMUNIST ATTACKS. IN PARIS GVN OFFICIALS APPEAL TO C-F SIGNATORIES TO TAKE INDIVIDUAL

OR JOINT ACTION TO END NVN AND VC C-F VIOLATIONS
(PHINQ; AP, SUN).

AP REPORTS NEWSMEN WATCHED WAVES OF VNAF PLANES LEAVE
BIEN HOA TO HIT LOC NINH. GVN MIL SPOKESMAN DESCRIBED
RAIDS AS "DEFENSIVE ACTION" SINCE AREA WAS USED FOR
STAGING ATTACKS ON PHUOC BINH. VC DELEGATION TO TPJMC
IN SAIGON DESCRIBED RAIDS AS "CRIMINAL ACT," SAID THEY
INFLICTED HEAVY CIVILIAN CASUALTIES AND THAT PROTEST
WOULD BE FILED WITH ICCS (SUN, NYDN).

NYT'S MARKHAM IN SAIGON REPORTS GVN DENUNCIATION OF
COMMUNISTS FOR SEIZURE OF PHUOC BINH, AND RETALIATORY
AIR RAIDS. SAYS AIR STRIKES ON NVA FORMATIONS AROUND
PHUOC BINH ALSO REPORTED. QUOTES ARVN GENERAL AT NEWS
CONFERENCE THAT SOME GVN TROOPS TRAPPED AT PHUOC BINH
MANAGED TO BREAK THROUGH COMMUNIST LINES INTO COUNTRYSIDE.
GVN REPORTEDLY PLANNING DEMONSTRATIONS OUTSIDE ICCS HQ.

WP'S MCCOMBS QUOTES GVN THAT IT WOULD CONTINUE TO WORK
FOR PEACE WITHIN PARIS AGREEMENT DESPITE RECENT EVENTS,
AND NOTES STATEMENT MADE AT MFA PRESS CONFERENCE THAT
COMMUNISTS ARE CONDUCTING GENERALIZED MIL OFFENSIVE.
RECOUNTS GVN REPORTS OF FIGHTING THAT LED TO PHUOC BINH
FALL AND MG TRIEN'S STATEMENT THAT DEFENDERS WERE NOT
REINFORCED BECAUSE BATTLE DEVELOPED TOO RAPIDLY AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 05 STATE 005484

FLYING WEATHER WAS BAD. SAYS OTHER OBSERVERS SUGGEST
GVN DECIDED NOT TO SEND IN HEAVY REINFORCEMENTS BECAUSE
TERRAIN AND LARGE COMMUNIST FORCES MADE IT INDEFENSIBLE;
NOTES THAT OTHER FACTOR MAY HAVE BEEN THREAT CLOSER TO
SAIGON MADE GVN CONSERVE RESOURCES. SOURCE SAYS GEN TRIEN'S
STATEMENT THAT US AID CUTS DID NOT AFFECT PHUOC BINH
BATTLE MAY HAVE BEEN MADE TO CALM CIVILIAN FEARS OVER
COMMUNIST SUCCESS. COMMENTS THAT GVN POLICY OF PLAYING
UP COMMUNIST VICTORIES TO US AUDIENCE WHILE PLAYING
THEM DOWN AT HOME FREQUENTLY CAUSES CONFUSION. NOTES
THIEU MET JAN 8 MORNING WITH AMB MARTIN AND DEPSEC MAW.

FIELD REPORTS SAY GKR RETOOK STRATEGIC HILL OUTSIDE
PP, FOUND PAGODA WITH 16 BUDDHIST NUNS WHO HAD BEEN
RAPED AND MURDERED BY REBEL TROOPS. HILL GUARDS CITY'S
NW DEFENSE LINE (AP SUN, NYDN, WP; PHINQ). INSURGENTS
SHELL POCHENTONG FOR THIRD DAY. MIL SOURCES SAY ROCKETS
WOUNDED CIVILIANS BUT CAUSED NO DAMAGE TO AIRPORT
FACILITIES (UPI, CHITRIB).

NYT'S SCHANBERG FROM PP REPORTS THAT HEAVY FIGHTING
RAPIDLY DEPLETES US AID, AND GKR COULD BE IN "TIGHT

SITUATION" WITHIN FEW MONTHS. QUOTES EMBASSY THAT TWO-THIRDS OF THIS YEAR'S ECON AID NOW USED UP, AND THAT ECON MISSION ARGUES FOR SUPPLEMENTAL SINCE MUCH OF AID IS FOR FOOD FOR INCREASINGLY HUNGRY POPULATION. NOTES THAT OPINIONS DIFFER AMONG MIL ANALYSTS AS TO HOW SERIOUS SUPPLY SITUATION COULD BECOME; SOME WESTERN SOURCES THINK IT NOT CRITICAL IF FANK CAN CUT DOWN WASTAGE, AND CONTEND THAT AID CUT HERE NOT AS DEBILITATING AS IN SVN. COMMENTS THAT WHETHER CONGRESS WILL GO ALONG WITH PRES' REQUEST FOR SUPPLEMENTAL FOR CAMBODIA IS UNCERTAIN, SINCE INCREASING NUMBER OF CONGRESSMEN HAVE COME TO FEEL AID TO GKR SERVES TO PROLONG WAR.

2. CHINA

NCNA SAID WEDNESDAY THAT ECON CRISIS IN "WESTERN CAPITALIST WORLD" IS MOST SERIOUS SINCE WWII. WITHOUT MENTIONING OIL PRICES, AGENCY DESCRIBED IN DETAIL AND WITH FIGURES PROBLEMS OF INFLATION AND RECESSION IN US, JAPAN AND WE, UNCLASSIFIED

UNCLASSIFIED

PAGE 06 STATE 005484

WITH REFERENCES TO AUSTRALIA AND CANADA. AMONG REASONS

IT GAVE WAS "OVERPRODUCTION" OF CONSUMER GOODS; ADDED THAT WESTERN MONETARY SYSTEM IS IN "TOTAL COLLAPSE" AND STOCK EXCHANGES EXPERIENCED STAGGERING DECLINE. NCNA DECLARED THAT UNEMPLOYMENT, RISING PRICES AND PUBLIC/PRIVATE DEBT IN WESTERN COUNTRIES HAS REACHED OR GONE BEYOND ALL POSTWAR RECORDS, AND "BOURGEOIS REMEDIES HAVE FAILED TO CURE THE ECONOMIC ILLS. THE VERY ECONOMIC FOUNDATIONS OF THE CAPITALIST WORLD ARE BROKEN UP WHILE THE CRISIS CONTINUES TO DEVELOP" (AFP PHINQ, NYT).

KUMPA (SUN) REPORTS THAT PRES MET LATE YESTERDAY WITH SEN MANSFIELD TO HEAR REPORT ON TRIP TO CHINA.

3. JAPAN

LAT (JAN 8) SAYS FM MIYAZAWA FLIES TO MOSCOW NEXT WEEK FOR FURTHER DISCUSSION OF SOVIET-JAPAN PEACE TREATY AND NORTHERN TERRITORIES.

JAEC ACTING CHAIRMAN DENIES MAINICHI REPORT THAT GOJ PLANS TO SELL ITS ONLY NUCLEARPOWERED SHIP MUTSU, BECAUSE OF DEEP-ROOTED JAPANESE FEAR OF RADIATION (UPI TOKYO).

MITI ANNOUNCED JAN 8 THAT JAPAN'S 1974 EXPORTS INCREASED 53.5 PERCENT TO 59.2 BILLION DOLS (JOC; AP, CHITRIB).

MILITANT LEADERS OF METAL WORKERS FEDERATION PUSHING LABOR DRIVE FOR 30 PERCENT WAGE INCREASE THIS SPRING, URGE GOJ TO FREEZE UTILITY RATES, REDUCE INCOME TAX FOR WORKERS, RAISE CORPORATE TAXES, AND BOOST WELFARE PAYMENTS TO LOW-INCOME FAMILIES (JOC).

4. SINGAPORE

AP (PHINQ), UPI (NYDN) CITE SINGAPORE OFFICIALS THAT OIL LEAK CONTAINED OUTSIDE HARBOR; STILL THREATENS MALAYSIAN, SUMATRAN BEACHES.

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PAGE 07 STATE 005484

5. AUSTRALIA

LAT'S LAMB IN SYDNEY REPORTS AUSTRALIAN BEEF INDUSTRY, REELING FROM LOSS OF MAJOR EXPORT MARKETS, DEALT SERIOUS BLOW BY US REQUEST TO CUT EXPORTS IN HALF. EXPORTERS DOUBT US WOULD IMPOSE STATUTORY QUOTAS, IN LIGHT OF PIOUS UTTERANCES ABOUT FREE TRADE, BUT 1964 LAW REQUIRES PRES TO IMPOSE MANDATORY QUOTAS WHEN BEEF IMPORTS REACH 1.18 BILLION POUNDS. QUOTES US DIPLOMAT SAYING "YOU COULDN'T SMUGGLE A STEAK INTO

AUSTRALIA IF YOU WERE JAMES BOND...IF AUSTRALIA WANTS TO SHARE OUR DOMESTIC MARKET THEN IT'S GOT TO BE PART OF THE BAD TIMES AS WELL AS THE GOOD TIMES" (JAN 8).

WSJ'S HARTLEY IN CANBERRA DESCRIBES URANIUM BOOM IN NT WHICH BEGAN FEW WEEKS AGO WHEN GOA DECIDED TO RE-ENTER WORLD URANIUM MARKET. LABOR PARTY WANTS TO DEVELOP HOME-GROWN INDUSTRY, WON'T WELCOME NEW INVESTORS, BUT WON'T EXPROPRIATE EXISTING FOREIGN HOLDINGS. NOTES US RECOGNIZES INCREASED NEED FOR URANIUM AS ENERGY SOURCE, PLANS TO RELAX EMBARGO ON IMPORTS IN 1977. BUT AUSTRALIA DOESN'T WANT TO EXPORT OWN "YELLOWCAKE"; IS NOW STUDYING FEASIBILITY WITH JAPAN OF JOINT VENTURE TO BUILD AND OPERATE THREE BILLION DOL ENRICHMENT FACILITY.

6. KOREA

BULLETIN (JAN 7) REPORTS PRAYER VIGIL OUTSIDE FEDERAL BLDG BY 30 PHILADELPHIA RELIGIOUS AND LABOR LEADERS TO PROTEST ROK REPRESSION. EPISCOPAL REV GRACIE READ STATEMENT CRITICIZING USG SUPPORT OF PARK REGIME, EXPLOITATIVE INDUSTRIAL CONDITIONS, AND IMPRISONMENT OF CHURCH LEADERS IN SK.

7. PHILIPPINES

INDONESIAN FM MALIK, IN MANILA, SAID JAN 8 THAT MALAYSIA, PHIL, INDO SUMMIT TALKS WOULD BE HELD "SOMETIME THIS YEAR", AFTER PHIL MOSLEM REBELLION SETTLED (AFP, WP).

UNCLASSIFIED

UNCLASSIFIED

PAGE 08 STATE 005484

REUTER (MANILA) CITES MIL SPOKESMAN THAT GOVT FORCES LAUNCHED DRIVE TO RECAPTURE SOUTHERN PHIL VILLAGE OCCUPIED BY MOSLEM REBELS DEC 20; FIRST ACTION SINCE MOSLEMS AMBUSHED GOVT TROOPS IN SULU IN NOV.

8. THAILAND

UPI (BANGKOK) REPORTS REPS WOLFF (NY), MURPHY (ILL) AND BURKE (FLA) IN BANGKOK TO STUDY RTG EFFORTS TO HALT DRUG SMUGGLING, BRIEFED BY RTG DRUG OFFICIALS ON USN P-3 SURVEILLANCE FLIGHTS OVER GULF OF THAILAND TO HELP TRACK SMUGGLERS. RTG OFFICIALS ASKED FOR MORE MONEY, BOATS AND HELICOPTERS TO COMBAT DRUG SMUGGLING FROM GOLDEN TRIANGLE.

9. MALAYSIA

NYT'S ELIZABETH FOWLER REVIEWS NEW GOM PLAN TO RAISE

NATURAL RUBBER PRICE BY CREATING "BUFFER STOCK ARRANGEMENT" WITH THAILAND AND INDONESIA, AND BY MEASURES TO REDUCE OUTPUT.

COMMENT AND ANALYSIS

10. INDOCHINA

NYT SAYS PSYCHOLOGICAL REVERSAL SUFFERED BY SVN WITH PHUOC BINH LOSS, AND PROSPECT THAT GKR MAY RUN OUT OF AMMO BY APRIL, MEAN THAT ONE OF FIRST UNCOMFORTABLE DECISIONS LIKELY TO BE THRUST BEFORE NEW CONGRESS WILL BE EXTENT OF US RESPONSIBILITY FOR SHORING UP HARD-PRESSED INDOCHINA FORCES. BUT "FAR BETTER CASE THAN HAS BEEN MADE SO FAR WILL HAVE TO BE PRESENTED EVEN TO JUSTIFY HIGHER LEVELS OF MILITARY SPENDING." SUGGESTS THAT MOST HELPFUL TO ADMIN REQUEST FOR ADDITIONAL FUNDS WOULD BE HAK EFFORT TO TAKE CONGRESS INTO HIS CONFIDENCE ABOUT LONG-TERM PROSPECTS, IF ANY, FOR INDOCHINA POLITICAL SETTLEMENTS. FOR, LIKE IT OR NOT, ADMIN NEEDS COOPERATION FROM RESTIVE CONGRESS, AND DETAILED EXPLANATIONS WOULD HAVE BETTER CHANCE THAN STANDARD APPEALS TO PAST PRIORITIES.

UNCLASSIFIED

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PAGE 09 STATE 005484

PHINQ MAINTAINS THAT ACTING FM TINH'S APPEAL FOR SUPPORT AGAINST INCREASING VC/NVA SUCCESS IS CALL US "COULD HEED ONLY AT GRAVE PERIL." FEELS FORD, NESSEN AND BEECHER "HAVE TAKEN ENTIRELY PROPER POSITIONS" OF CONCERN AND CAUTION; AND ADM. GAYLER, IN REPORTEDLY SAYING US SHOULD NOT "RULE OUT" NEW VN INTERVENTION, IS ENTITLED TO HIS OPINION -- WHICH IS NOT SURPRISING, CONSIDERING HIS LINE OF WORK. BUT "TRAGIC AND DISGRACEFUL" HISTORY OF US ADVENTURE IN VN WAS REplete WITH SUCH DISCLAIMERS AS THOSE NOW COMING FROM ADMIN. "AND WHILE MR. FORD IMPRESSES US AS A MAN OF GREAT CANDOR AND DEEP COMMITMENT TO THE LAW, WHERE HYPOCRISIES SUCCEEDED, DANGER STILL DWELLS. THE ENTHUSIASTS DEMAND CLOSE WATCHING" BY WH AND CONGRESS.

EVANS/NOVAK ASSERT ADMIN DECIDED TUESDAY TO SEEK DESPERATELY- NEEDED ARMS FROM HOSTILE CONGRESS FOR SVN BASED ON "THIS SECRET WARNING" FROM AMB. MARTIN: IF WEAPONS CONTINUE RATIONED AT PRESENT PARSIMONIOUS RATE FOR ANOTHER THREE MONTHS, RESULT WILL BE CATASTROPHIC. POLICYMAKERS THUS DECIDED ON ALL-OUT EFFORT FOR IMMEDIATE 300 MILLION DOLLARS IN ARMS. MOST CRITICALLY NEEDED TO STEM DANGEROUS THOUGH STILL LOCALIZED COMMUNIST OFFENSIVE IS AMMO, PARTICULARLY FOR BIG GUNS NOW STARVED FOR SHELLS. ALSO IN CRITICAL SHORT SUPPLY IS AVIATION FUEL, WHICH HAS PARTIALLY GROUNDED VNAF. THESE SHORTAGES CONTRIBUTED

TO PHUOC BINH'S FALL -- COMMUNIST TRIUMPH THAT FLOWED DIRECTLY FROM ANTI-SAIGON ANIMUS IN CONGRESS, WITH OTHER DISASTERS POSSIBLY FOLLOWING.

EVANS/NOVAK CONTEND TUESDAY EMERGENCY SESSION OF HAK, COLBY, CLEMENTS AND OTHER TOP OFFICIALS CONCLUDED, WITH FORD CONCURRING, THAT PRES WILL TAKE LEADING ROLE IN PERSUADING CONGRESS. THEY WERE LEFT NO CHOICE BY MARTIN'S WARNING THAT HIGH BATTLEFIELD CASUALTIES TO ARVN DEFENDERS WERE CAUSING SEVERE MORALE PROBLEMS. AMB. REPORTED LARGE PERCENTAGE OF THOSE CASUALTIES ARE DIRECTLY DUE TO LIMITATIONS IMPOSED ON WEAPONS-FIRING TO CONSERVE DWINDLING AMMO STOCKS. NOTE LAST CONGRESS

UNCLASSIFIED

UNCLASSIFIED

PAGE 10 STATE 005484

ACTUALLY AUTHORIZED ONE BILLION FOR MIL AID BUT ONLY APPROPRIATED 700 MILLION, SO 300 MILLION BEING SOUGHT NEEDS CLEARANCE FOR FLOOR ACTION ONLY BY APPROPRIATIONS

COMMITTEES, TRADITIONALLY MORE FRIENDLY TOWARD SVN
THAN DOVISH FOREIGN AFFAIRS AND FOREIGN RELATIONS
COMMITTEES.

BUT DESPITE THAT SLENDER ADVANTAGE, ADMIN AIDES HAVE
NO ILLUSIONS ABOUT CONGRESSIONAL QUAGMIRE THEY ARE
ENTERING WITH DECISION TO REOPEN INFLAMMATORY CONGRESSIONAL
DEBATE OVER VN. AT FIRST GLANCE, PROSPECTS SEEM GRIM;
FRESHMAN LIBERAL DEMOCRATS HAVE EMERGED FROM ATMOSPHERE
OF SHAME AND ANGER OVER US ROLE IN VN, AND HAVE COME TO
WASHINGTON TO BATTLE RECESSION AND INFLATION, NOT MEDDLE
IN INDOCHINA BLOOD FEUDS. BUT ADMIN BY NO MEANS FEELS
HELPLESS. CASE TO BE MADE FOR FIRST INSTALLMENT OF
EMERGENCY AID, ON ITS FACE, IS THAT GVN HAS DISPLAYED
SURPRISING RESILIENCE AND MIL SKILL; GOVT TROOPS HOLDING
THEIR OWN AGAINST NVN REGULARS ARMED WITH SOPHISTICATED
CHINESE/SOVIET ARMS MOVED SOUTH FROM HANOI SINCE C-F --
IN CONTRAVENTION OF PARIS AGREEMENT (WP; EXCERPTS IN GLOBE).

S-N'S ARBUCKLE (JAN 7) OBSERVES CORRUPTION BY GOVT AND
ARMY OFFICIALS SURFACED AS KEY ISSUE IN INDOCHINA POLITICS
LAST YEAR; DIPLOMATS THERE SAY THEY EXPECT THIS TREND
TO CONTINUE IN 1975. SAYS ISSUE HAS BEEN MOST NOTICEABLE
IN SVN, WHERE CATHOLIC PRIESTS HAVE CHARGED CRIMES RANGING
FROM LAND MANIPULATION AND SUGAR HOARDING TO OUTRIGHT
STEALING OF PUBLIC FUNDS BY CABINET MEMBERS, ARMY GENERALS
AND MEMBERS OF THIEU'S IMMEDIATE FAMILY.

BY ELECTRICAL WORKERS, AIRPORT WORKERS AND AMEMBASSY LAO
EMPLOYEES, AND EVEN RIGHT-WING LAO NATIONAL POLICE HAVE
BEEN ON STRIKE. NOTES TOP LAO COMMUNIST OFFICIAL SAYING
WITH SATISFACTION THAT STRIKES ARE MOVE AGAINST CORRUP-

TION -- "BUT THIS RAISES DOUBTS ABOUT THEORY OF US
OFFICIALS IN VIENTIANE" THAT COMMUNISTS ARE EMBARRASSED
BY THESE STRIKES AT TIME WHEN THEY HOLD 50 PERCENT
OF LAO CABINET SEATS. ACTIVELY ENCOURAGED BY COMMUNIST
CADRES, LAO STRIKERS FEEL PRESENCE OF CLOSE TO 2,000
UNCLASSIFIED

UNCLASSIFIED

PAGE 11 STATE 005484

COMMUNIST TROOPS IN VIENTIANE PREVENTS RIGHTIST MILITARY
AND POLICE FROM CRACKING DOWN ON THEM. STRIKERS
ALSO ARE ENCOURAGED BY SUCCESS OF THAI STRIKERS,
AND SOME DIPLOMATS CREDIT THAI STRIKE ACTIVITY WITH
PLAYING GREATER ROLE THAN COMMUNISTS IN LAO UNREST.
ONE RELATED PROBLEM HAS BEEN LAO MILITARY'S FAILURE
TO PAY IRREGULAR FORCES ONCE FINANCED BY CIA WHICH
WERE INTEGRATED INTO ROYAL LAO ARMY.

IN CAMBODIA, GROWING ANTI-CORRUPTION CLAMOUR ORIGINATES

WITHIN GOVT AND ARMY ITSELF. GKR SOLDIERS ARE SICK
OF CORRUPT GENERALS WHO SELL TROOPS EQUIPMENT, POCKET
THEIR SALARIES, STEAL THEIR PENSIONS AND SELL FAVORS
TO RICH BUSINESSMEN.

HEARST'S CONSIDINE LAUDS AIR FORCE ASSN AS GROUP THAT
"GIVES A DAMN" ABOUT MIAS; RECOMMENDS THAT BEST WAY
"TO KEEP UP WITH WHAT IS NOT BEING DONE" ABOUT THEM
IS TO SUBSCRIBE TO AF MAGAZINE (BALTO N-A, 1/7). KISSINGER

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